



Six-Party Talks: Searching for the “first tranche”

by Ralph A. Cossa

“I think we have a basis for calling the six-party meeting and for making some progress.” So said the chief U.S. negotiator, Assistant Secretary of State for East Asian and Pacific Affairs Christopher Hill, in advance of the Feb. 8 round of discussions in Beijing aimed at persuading North Korea to give up its nuclear weapons. “We will not achieve full denuclearization,” he cautioned, “but we hope to make a substantial start on this.”

The “this” in question is the implementation of the September 2005 Joint Statement in which Pyongyang agreed to abandon “all nuclear weapons and existing nuclear programs,” in exchange for economic aid and security assurances. What’s unclear is how the United States, or any of the other parties (North and South Korea, China, Japan, and Russia) defines “substantial.” Hill has been careful not to lay out what he expects or desires to see as the “first tranche” of the implementation plan, only that he is hopeful (dare we say optimistic) that there will be a significant progress.

Rumors are rampant about a mini “grand bargain,” in which Pyongyang agrees, as a first step, to freeze its current nuclear reactor operations and allow International Atomic Energy Agency (IAEA) inspectors to return, perhaps in return for a resumption of heavy fuel oil deliveries or some other type of economic incentives. This has been described as “Agreed Framework minus,” referring to the 1994 deal between Washington and Pyongyang which swapped fuel oil and the future construction of two light-water nuclear reactors (LWRs) for a freeze (under IAEA safeguards) at the North’s Yongbyon nuclear reactor.

In Pyongyang’s eyes, the “minus” would refer to the absence of the two promised LWRs. The North insists that these be provided before it gives up its nuclear programs – it was disagreement on this point that helped to derail the September 2005 agreement even before the ink was dry. To almost everyone else, the “minus” refers to the six to eight bombs worth of plutonium extracted from Yongbyon in 2003 and currently unaccounted for (beyond that which may have been used for the North’s October 2006 nuclear weapons test). If getting back to where we were in 1994, give or take the extra weapons grade plutonium, constitutes progress, then a freeze would be seen as a useful first tranche – clearly we would be better off than we are today, even if only marginally so (Yongbyon can only produce about one bomb’s worth of plutonium a year, even if operations proceeded).

There was, of course, another contributing factor; namely Pyongyang’s continued insistence that the issue of U.S. financial “sanctions” first be “discussed and resolved” before nuclear talks proceeded.

The sanctions refer to a 2005 U.S. Treasury Department finding against Banco Delta Asia (BDA), accusing the small Macau-based bank of being a “willing pawn” in North Korean money laundering and counterfeit-currency trafficking. This leads the government of Macau to freeze BDA’s assets (including \$24 million dollars in North Korean accounts). While Washington has steadfastly maintained that the financial restrictions are completely unrelated to the nuclear weapons talks, Pyongyang has been just as adamant that it would not even discuss giving up its nuclear weapons until Washington ends its “hostile” sanctions policy.

The resulting standoff caused a 13-month suspension of the Six-Party Talks. They briefly resumed in late December 2006 but that round went nowhere, as Pyongyang held firm in its refusal to discuss the nuclear issue until the sanctions were lifted. Side discussions on the financial issue were equally futile.

The latest bilateral discussions on the sanctions issue, held in Beijing this past week, provide little cause for future optimism. Treasury Department Deputy Assistant Secretary for Terrorist Financing and Financial Crimes Daniel Glaser told the press that the two sides had gone over 50 BDA accounts in great detail, noting “we have been vindicated with respect to our [money laundering] concerns.” He said the two sides were now in a position “to start moving forward and trying to bring some resolution to this matter,” but gave no hint as to how long this would take or what it would entail (or even when the two sides would again meet to continue the process).

There is little indication North Korea has seen the error of its ways, however. As the financial talks were concluding, a “source close to the North Korean government” told Reuters in Beijing that U.S. allegations were a “huge insult” to North Korea and that “the United States has no evidence, just like it had no evidence Iraq had weapons of mass destruction.” More ominously, the source warned that a failure to resolve the sanctions issue will leave North Korea with “no choice but to announce at the Six-Party Talks that it plans to conduct another [nuclear weapons] test.”

It’s possible, of course, that this represents mere bluster. Seasoned negotiators have pointed out that Pyongyang is frequently most stubborn and bombastic just before making a concession. Clearly, Washington hopes that this is again the case. We will soon find out.

For its part, Pyongyang states that it remains committed to the ultimate denuclearization goal, but that the lifting of sanctions must come first. While it is reasonable to expect some general reaffirmation of this goal at the upcoming round of talks, “substantial progress” toward achieving it seems a long way off.

Meanwhile, seemingly forgotten in recent debates about financial sanctions and nuclear weapons (and missile) tests is the original cause of the 2002 crisis that caused the original 1994 agreement to unravel: North Korea's suspected uranium enrichment program (via centrifuges provided by Pakistan's proliferator extraordinaire A.Q. Khan).

To me, the first real sign that Pyongyang has genuinely made the "strategic decision" to give up its nuclear weapons would be an admission that it does in fact have a uranium enrichment program. How can we possibly believe North Korea is prepared to give up "all nuclear weapons and existing nuclear programs" when it won't even acknowledge the true extent of its effort?

If the decision is made instead to (at least temporarily) turn a blind eye regarding the uranium program, then we are back to where we were in October 2002, except now the North is a demonstrated nuclear weapons state with six to eight extra bombs worth of plutonium: that can't be called progress by anyone's definition.

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